

ANNUAL GENERAL MEETING 2003



2003 has been an important year for ANZ

Customers

- Satisfaction increased across all major segments
- Branch banking market share increased

Staff

- Overall satisfaction at record level of 82%
- Branch staff satisfaction 85%
- 81% would recommend ANZ as a place to work

Community

- Branch numbers maintained
- Adult Financial Literacy programme
- Free transactional banking to Centrelink recipients, seniors and healthcare card holders

Shareholders

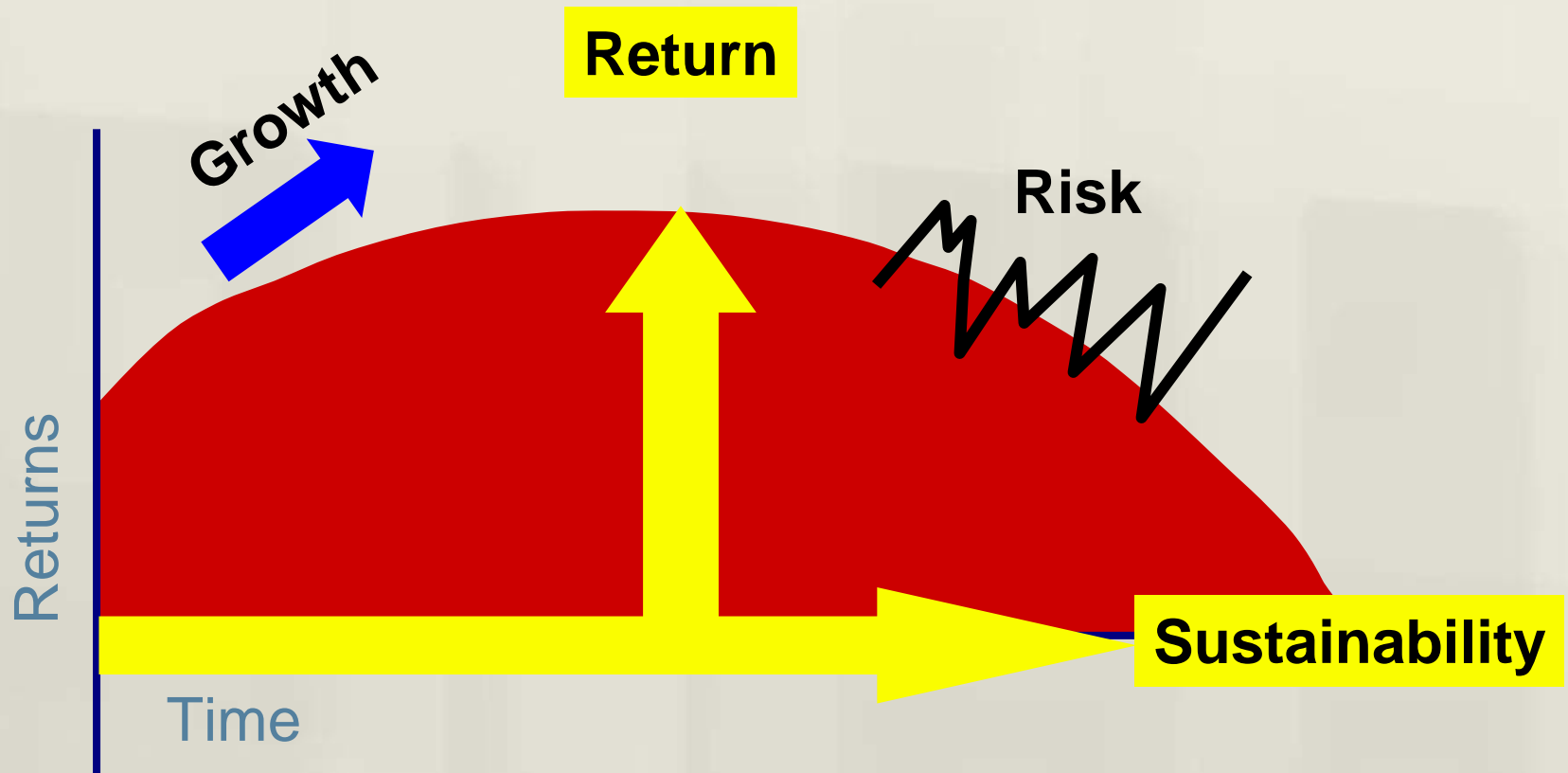
- Record profit, dividend up 11.8%, TSR 11%

Franchise

- Successful National Bank of New Zealand acquisition
- Clear number 3 of major Australian banks



Basic drivers of shareholder value



Increased strategic focus on domestic markets. International risk reduced

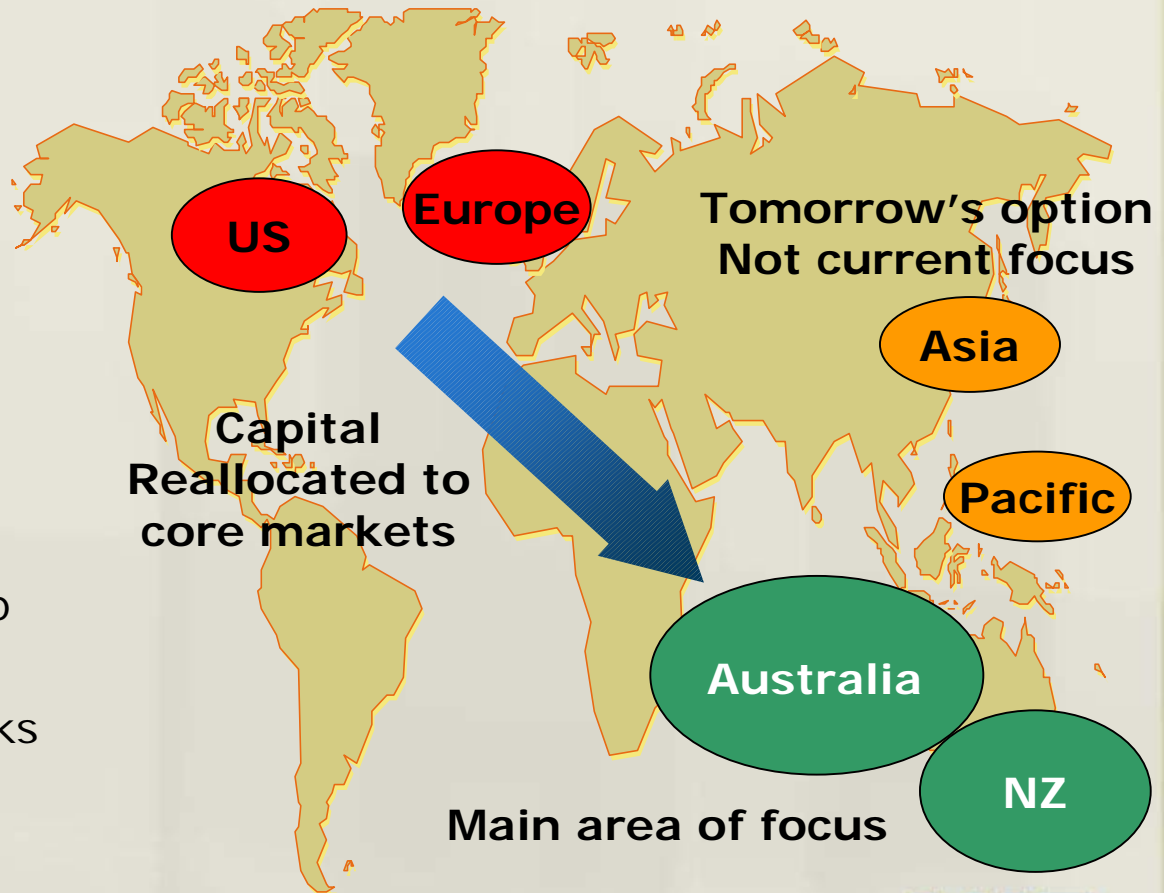
ANZ has a strong platform for the future:

- Unique specialisation strategy
- Sustainable business portfolio
- World leading efficiency
- First mover cultural transformation.
- Stable, well-regarded management
- Reduced risk exposure

NBNZ acquisition is a key step towards domestic leadership

International refocused on links with Australia/NZ

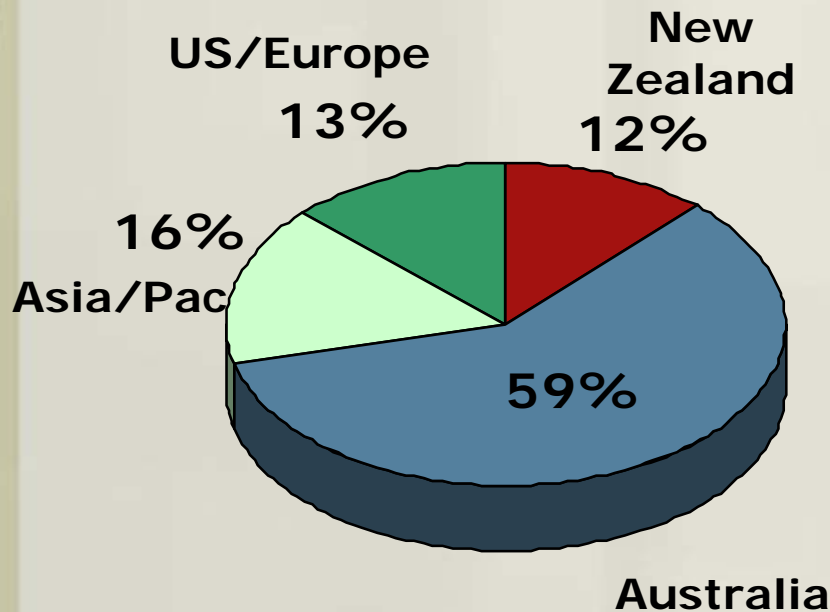
Some capacity to expand in Asia but not current focus



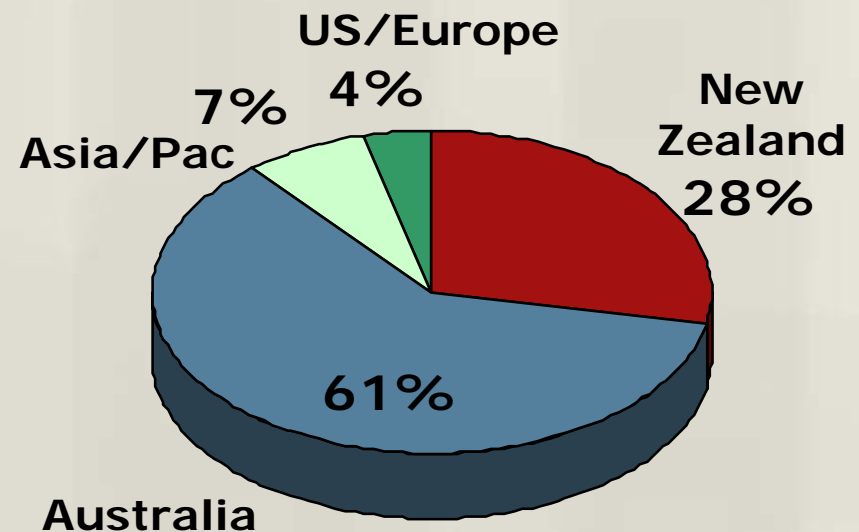
Post NBNZ our geographic mix is more sustainable and lower risk

Reduction in international from 29% to 11% reflects focus on core markets of Australia and New Zealand

**Geographic Mix (NPAT)
1996**



**Geographic Mix (NPAT)
post acquisition***

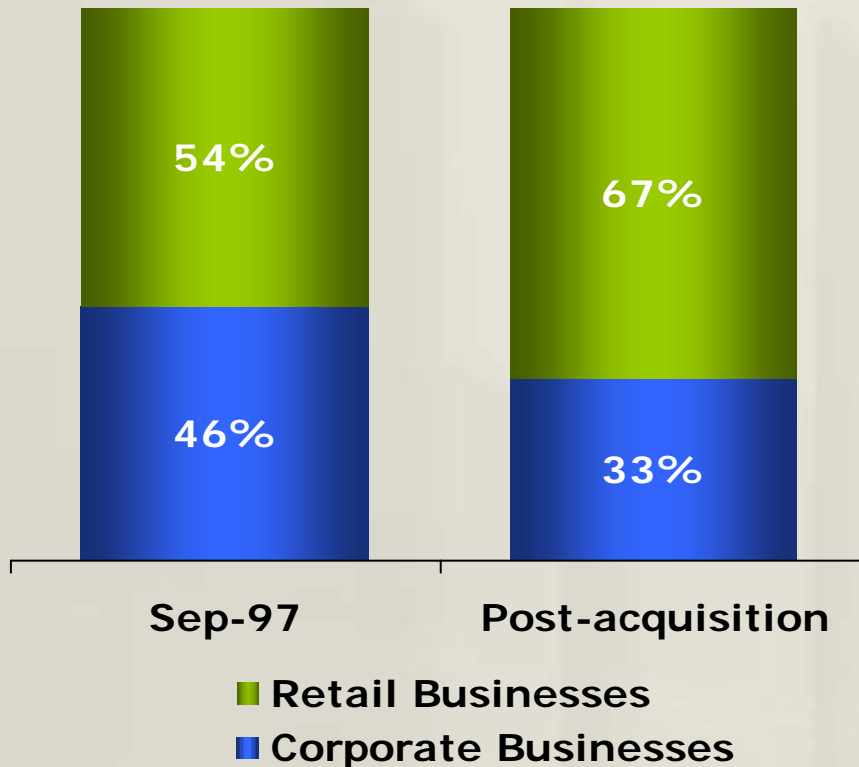


* Based on pro-forma ANZ/NBNZ financials, excluding goodwill and integration costs



Similarly, our business mix is now more sustainable reflecting our lower risk

Corporate versus Retail Lines of Business*



Shift driven by:

- Growth in retail franchise, particularly in mortgages
- De-risking of corporate book
- Concentration on core geographic markets

*based on net lending assets

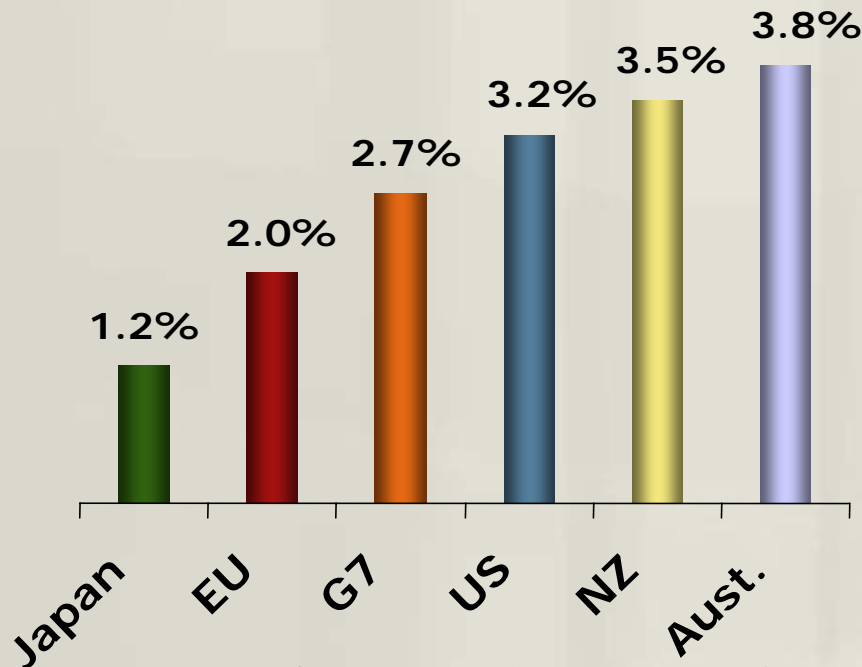


New Zealand is an attractive low-risk market

High Return

- New Zealand (like Australia) has generated high returns compared to other developed markets

Average Real GDP Growth
(1993-2003) *

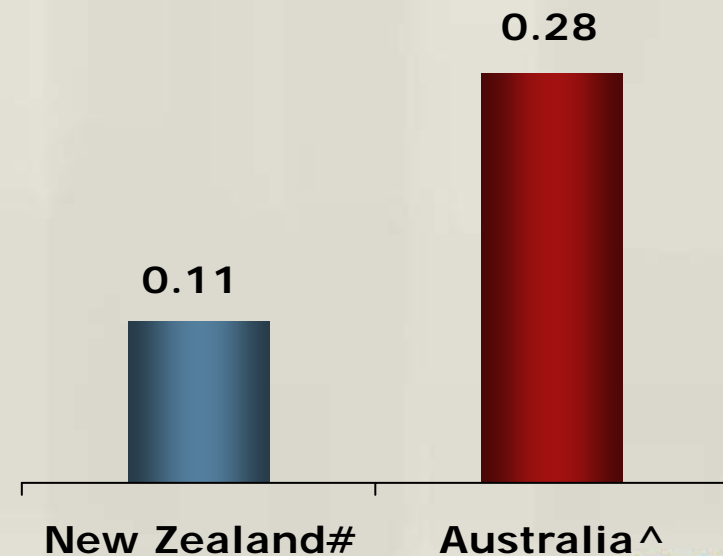


Source: *International Monetary Fund

Low Risk

- The New Zealand banking market is lower risk

Doubtful debts expense/Average
Loans and Advances (%)



5 top NZ banks for 2002

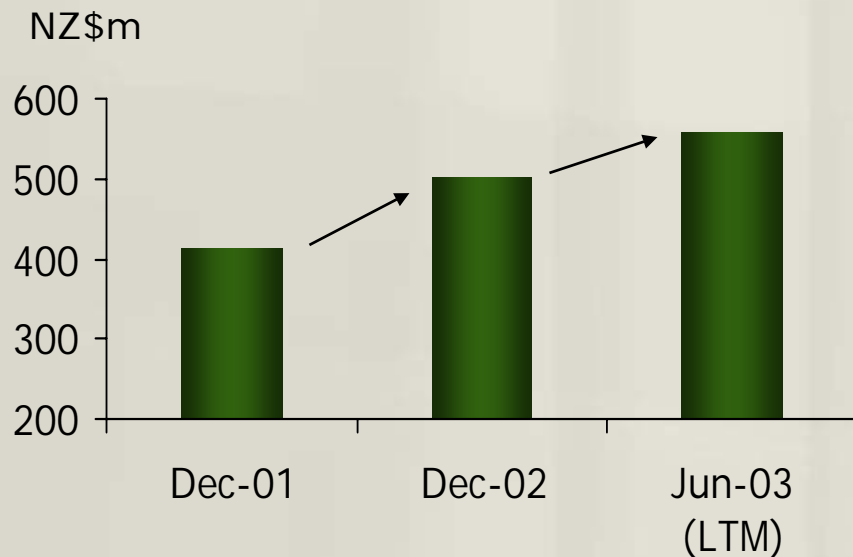
^ 4 top Australian banks for 2003



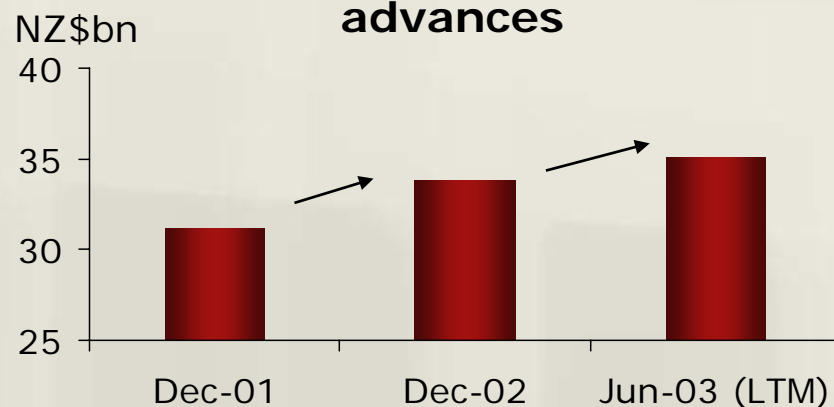
The National Bank of New Zealand has a strong track record

NBNZ has sustained superior financial performance with franchise and profit growth and world class efficiency.

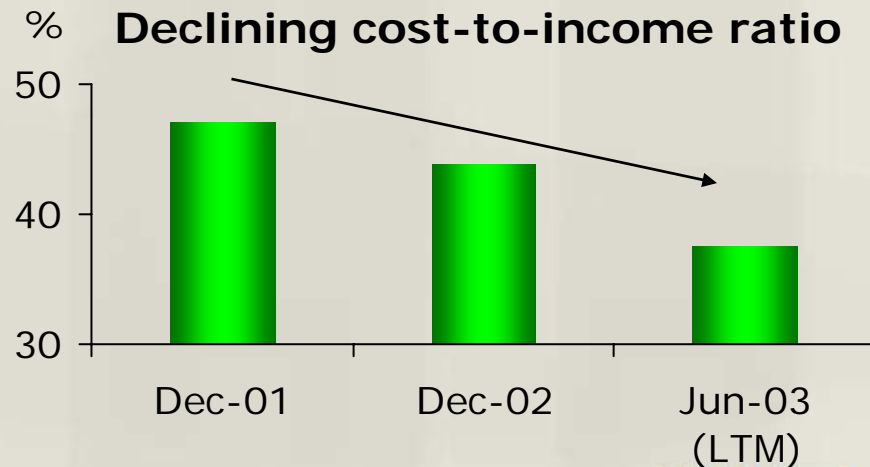
Consistent growth in NPAT



Strong growth in loans and advances



Declining cost-to-income ratio



Source: NBNZ Group Financial Reports

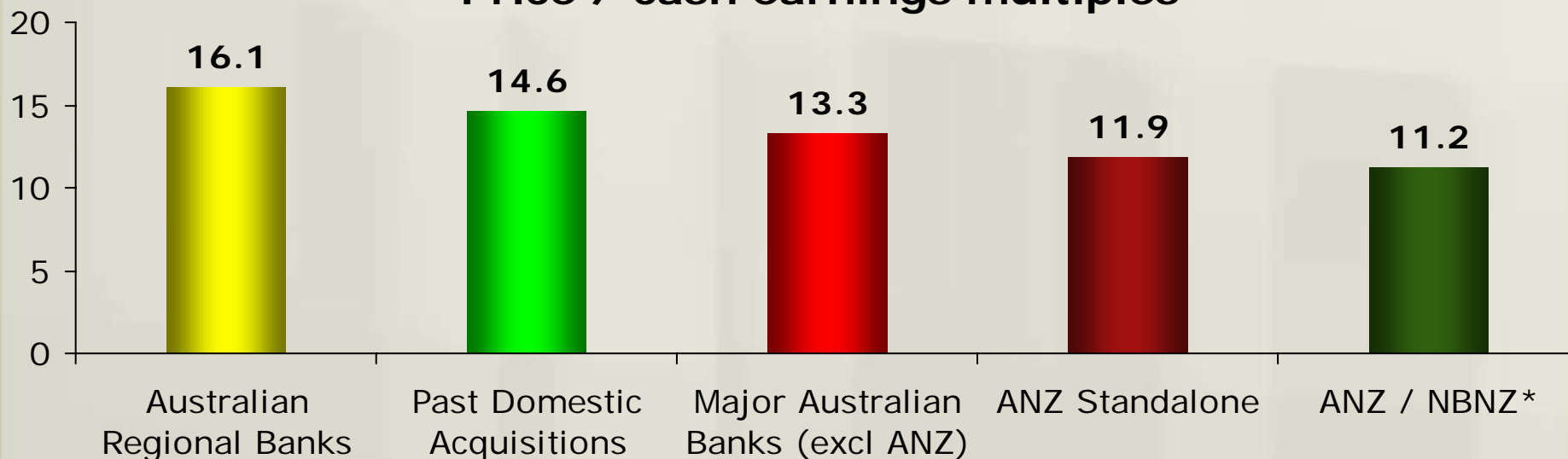
LTM- Last Twelve Months



The purchase price was very attractive

Price of A\$4.915 billion was at an attractive multiple and at the lower end of expectations

Price / cash earnings multiples



Funding has been secured through:

- A\$3.6b from the deeply discounted rights issue; its success was driven by its fairness to all shareholders
- A\$1.4b issuance of hybrid and debt



* Cash earnings for 12 months to 30/6/2003

ANZ National now holds the leading position in all key segments



	<u>Market Share</u>	<u>Rank</u>	<u>Market Share</u>	<u>Rank</u>	<u>Market Share</u>	<u>Rank</u>
NZ Retail deposits	13.5%	3	17.2%	2	30.7%	1
Mortgages	14.7%	3	23.6%	1	38.3%	1
Cards/Consumer	12.8%	4	14.4%	3	27.2%	1
SMB/Rural	11.5%	3	30.4%	1	41.9%	1
Auckland	12.0%	4	17.0%	2	29.0%	1
Corporate Banking	31.0%	1	17.0%	4	48.0%	1



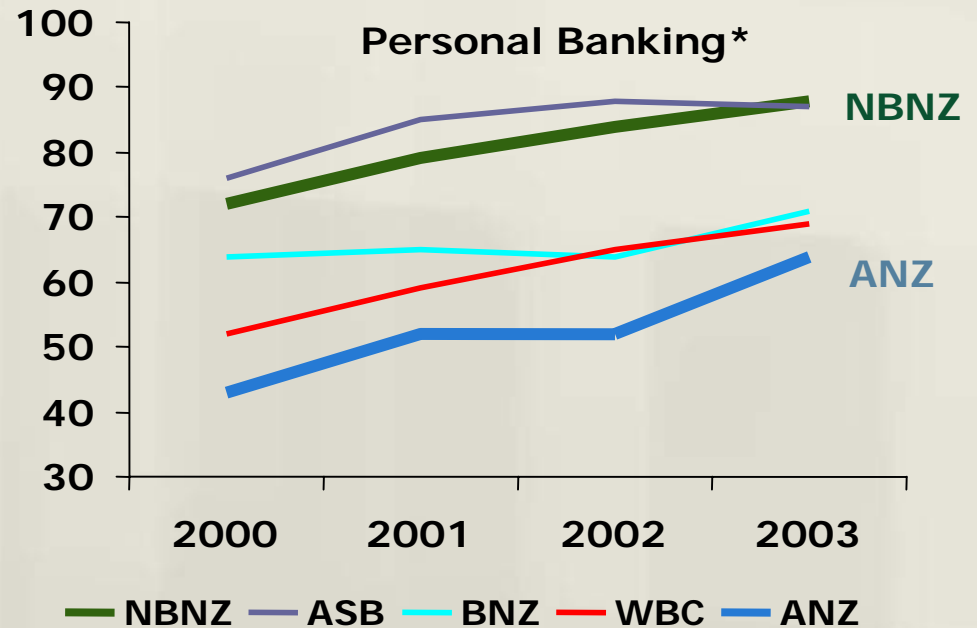
Sources: AC Nielsen Financial Monitor (Q1 2003); Roberts Research Group Survey (July 2002)

Customer Satisfaction – NBNZ's leadership and ANZ's improvement underpin the future

- Keep customer impact to an absolute minimum through maintaining two branch networks and brands
- Leveraging the diverse skills of both organisations is essential to providing ongoing superior customer service



Customer Satisfaction



- NBNZ tops customer satisfaction ratings in Personal Banking, whilst ANZ has shown recent improvement
- ANZ has high customer satisfaction in Corporate banking



*Source: New Zealand Consumer Magazine

ANZ National plays an important community role

Both ANZ and NBNZ have invested widely in the NZ community. As one of New Zealand's top three businesses we are committed to continuing this community involvement.



ANZ - building homes for Habitat for humanity



NBNZ- principal sponsor of NZ cricket



NBNZ – founding sponsor of Daffodil Day raising funds for Cancer Research



High-level integration timetable

2003

- Acquisition announced
- 41 Work streams mobilised
- Formal detailed amalgamation submission to regulator for approval

2004

- Offices co-located
- Complete systems detailed design
- Complete non-customer systems integration

2005

- Integration complete



- Acquisition completed
- Transitional management structure announced
- Integration principles agreed with regulator

- Legal amalgamation
- Management Integrated
- Integration and synergy update to shareholders

- Major systems integration

The ANZ agenda

We aim to be Australia and New Zealand's most respected company:

- Easy to do business with
- Bold and different
- The best-managed, most efficient, and most successful bank
- Growing, investing, partnering
- A unique climate of inspiration, leadership, values and opportunities
- Trusted by the community, making a sustainable contribution to society

Which will make us:

- The leading bank in Australia
- The sustainable leader in New Zealand and the Pacific
- The leading Australian bank in Asia
- The most respected major Australasian company



ANNUAL GENERAL MEETING 2003

